

XL Completes the Acquisition of AXIS

Jakarta, 20 March 2014 – Axiata Group Berhad's (Axiata) Indonesian subsidiary, PT XL Axiata Tbk (XL) today announced the completion of its acquisition of PT Axis Telekom Indonesia (AXIS). AXIS is valued at 100% enterprise value of USD 865 million, on a cash free and debt free basis. The deal was marked with the signing of concluding documents for the transaction between XL and Saudi Telecom Company (STC), allowing the former to officially finalise the acquisition process and become the majority shareholder in AXIS.

The acquisition was reached after XL secured the unanimous consent required for the Conditional Sales Purchase Agreement (CSPA), which includes:

- Approval from the Ministry of Communication and Information Technology
- Approval from XL shareholders through General Meeting of Shareholders (EGMS)
- Effective statement from the Financial Services Authority (OJK)
- Statement of No Objection from the Indonesia Stock Exchange
- Approval from the Indonesia Investment Coordinating Board (BKPM) toward the acquisition
- Approval from the Business Competition Supervisory Commission (KPPU) towards XL – AXIS the merger and acquisition plan

XL President Director Hasnul Suhaimi said, "We are grateful to have reached the final phase of the acquisition with AXIS. With the conclusion of this acquisition, XL has now become a majority shareholder in AXIS. We thank and offer the utmost appreciation for the support of several parties, particularly regulators, shareholders as well as XL and AXIS consumers, all of which made the acquisition possible. Consolidation in the telecommunications sector has become a necessity to ensure a healthy and sustainable industry."

Hasnul added that following the acquisition, XL will continue several initiatives toward finalizing the merger, expected to be finalised shortly, in accordance with applicable rules and regulations. XL-AXIS represents an essential and strategic momentum to support and realize government programmes to bolster the telecommunications industry. Through a healthy and strong telecommunications industry, tremendous benefits will be enjoyed by the public as consumers, as well as other stakeholders such as businesses and those in telecommunications and the government.

To finance the USD865 million acquisition, XL secured loans from shareholders in the amount of USD500 million. The remaining USD365 million was secured from third parties, namely UOB Bank, Bank of Tokyo-Mitsubishi and DBS Bank.

Through its acquisition and merger with AXIS, XL is expected able to provide better and more comprehensive services to a greater number of customers throughout Indonesia. Meanwhile, this consolidation also supports the government's aim to realize the national broadband programme. From an economic perspective, the XL-AXIS merger will boost state revenue through higher non-tax state income in the telecommunications sector

President & Group Chief Executive Officer of Axiata, Dato' Sri Jamaludin Ibrahim, added "We are grateful to the Ministry of Communication and Information Technology, other Government authorities, STC and all parties involved in the acquisition exercise which is a significant step towards a sustainable Indonesia telecommunication industry, creating a strong multiplier effect for the development of the national economy. As in all of our current investments, we remain committed to Indonesia over the long term period. With the completion of the acquisition, we now look forward to the successful integration between XL and Axis."

Merrill Lynch (Singapore) Pte. Ltd. is acting as exclusive financial adviser to XL on this transaction.

About Axiata

Axiata is one of the largest Asian telecommunications companies. Axiata has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. In addition, the Malaysian group holding company has stakes in non-mobile telecommunication operations in Thailand and Pakistan.

The Group's mobile subsidiaries and associates operate under the brand name "Celcom" in Malaysia, "XL" in Indonesia, "Dialog" in Sri Lanka, "Robi" in Bangladesh, "Smart" in Cambodia, "Idea" in India and "M1" in Singapore.

The Group, including its subsidiaries and associates, has close to 244 million mobile subscribers in Asia. The Group revenue for 2013 was USD5.8 billion. The Group provides employment to over 20,000 people across Asia. Axiata's vision is to be a regional champion by 2015 by piecing together the best throughout the region in connectivity, technology and talent, uniting them towards a single goal: Advancing Asia.

Axiata was awarded the Frost & Sullivan 2009, 2010, 2011, 2012 and 2013 Asia Pacific ICT Award for Best Telecom Group and the Telecom Asia Best Regional Mobile Group 2010 and 2011 for its operations in multiple Asian markets.

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Source:

<http://www.axiata.com/media-room/media-release/xl-completes-the-acquisition-of-axis.htm>